

Message Text

UNCLASSIFIED

PAGE 01 STOCKH 00035 051904Z
ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06 SP-02
CIEP-02 LAB-04 SIL-01 OMB-01 L-03 /071 W
-----060143Z 082312 /62

R 051420Z JAN 77
FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 9449
INFO AMEMBASSY WARSAW

UNCLAS STOCKHOLM 0035

E.O. 11652: N/A
TAGS: EGEN, EFIN, SW, PL
SUBJECT: POLISH STEEL TIRE CORD PROJECT

REF: STATE 310251

1. SWEDISH EXPORT CREDIT GUARANTEE BOARD (EXPORT KREDIT NEMENDEN OR EKN) WOULD INDEED GUARANTEE SWEDISH BANK LOANS FOR BPA PORTION OF PROJECT DESCRIBED IN REFTEL UP TO 85 PERCENT. MAXIMUM PERMISSIBLE GUARANTEE IS 90 PERCENT, BUT EKN IS CURRENTLY APPLYING LOWER LIMIT DUE TO GENERAL STATE OF PLANDS' INTERNATIONAL DEBT. REPAYMENT WOULD ORDINARILY BE WITHIN SEVEN YEAR PERIOD AFTER PROJECT COMPLETION, BUT THAT FIGURE DEPENDS ON MERITS OF INDIVIDUAL PROJECT AND ON COMPETITION. COST OF GUARANTEE IS ONE QUARTER OF ONE PERCENT.

2. EKN HAS NOT RECEIVED ANY FORM OF APPLICATION CONCERNING THE POLISH PROJECT TO DATE.

3. EMBASSY WAS DISTURBED TO LEARN THAT EXIMBANK HAS BEEN IN DIRECT CONTACT WITH EKN ON THIS SUBJECT. PRESUMABLY DEPARTMENT HAS NO OBJECTION TO DIRECT COMMUNICATION BETWEEN EXIM AND EKN, BUT WE WOULD GREATLY APPRECIATE KNOWING OF SUCH. WHEN WE ARE ASKED TO MAKE SIMULTANEOUS APPROACH WITHOUT KNOWING OF SUCH
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CONTACTS, THE RESULT IS EMBARRASSING EVIDENCE OF LACK OF COORDINATION WITHIN USG.

4. ACTION REQUESTED. CAN EMBASSY RECEIVE COPIES OF TELEXES FROM EXIM TO EKN? BELIEVE THIS MANDATORY IN CASE OF SUBJECTS IN WHICH EMBASSY IS ASKED TO MAKE INQUIRIES.

5. BPA IS WELL KNOWN SWEDISH CONSTRUCTION FIRM AND HAS INDEED EXTENSIVE EXPERIENCE IN EASTERN EUROPE. CURRENT BANK HANDLOVY BUILDING CONSTRUCTION WAS FINANCED BY SWEDISH PK BANK LOAN WHICH WAS GUARANTEED BY EKN. WE UNDERSTAND WORK HAS BEEN HALTED FOR ONE MONTH DUE TO STRIKE BY SWEDISH WORKERS AT WORK SITE (MOST OF WORKERS ARE SWEDISH). CAUSE OF STRIKE EAS REMOVAL BY FIRM OF POPULAR SITE MANAGER. WE ALSO UNDERSTAND BPA IS OWNED BY THE BUILDERS' TRADE UNION, THE TRADE UNION FOR PAINTERS AND ELECTRICIANS AND THE SWEDISH CONFEDERATION OF TRADE UNIONS (LO).

6. THE US TRADE CENTER HERE HAS COMPLETED AND SUBMITTED A PIR QUESTIONNAIRE ON BPA FOR THE FOREIGN TRADERS' INDEX IN DOC. IN 1974 FIRM'S CAPITAL WAS GIVEN AS SKR 30.5 MILLION WITH TURN-OVER AT SKR 2.2 BILLION RPT 2.2 BILLION. FIRM WAS ESTABLISHED IN 1921 AND EMPLOYED 16,000 PEOPLE IN 1974. BANKING REFERENCE: PK BANK, STOCKHOLM.

7. WE HAVE BEEN UNABLE, DUE TO LONG SWEDISH HOLIDAY SEASON, TO CONTACT PERSONNEL AT BEIJERINVEST REGARDING POSSIBLE EXPORT MARKETING OF STEEL CORD OUTPUT IN POLAND. THIS STRIKES US, HOWEVER, AS KEY ITEM AND WE WILL CONTINUE TO MAKE INQUIRIES.
SMITH

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AUTOMOTIVE INDUSTRY, CONSTRUCTION, PROGRAMS (PROJECTS), STEELS, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STOCKH00035
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770005-0020
Format: TEL
From: STOCKHOLM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770177/aaaacpkk.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8c7eb8dc-c288-dd11-92da-001cc4696bcc
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Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Type: TE
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